



Cap-and-Invest Fuel Exemptions Workgroup Meeting Summary

Thursday, September 21, 2023 | 1:00 – 3:00 p.m.

Location: Zoom and Lacey Ecology Office

Attendance

- 25 out of the 37 workgroup members attended virtually.
- 4 Ecology staff attended virtually and 1 attended in-person.

Welcome and Introductions

- The facilitation team welcomed workgroup members to the final workgroup meeting, shared the anti-trust reminder, and an overview of the meeting #8 agenda.

Workgroup recap and next steps

- Ecology staff shared a reminder of a few key aspects of the current fuel exemption program:
 - The focus of the workgroup was to find solutions to get end-users surcharge-free exempt fuels within current statute/rule.
 - Eligible end-users qualify for exempt fuels in statute/rule and should not be paying surcharges.
 - Compliance obligations for 2023 are not final – fuel suppliers can reduce their compliance obligations by accurately reporting exempt fuels.
 - The point of regulation cannot move and compliance obligations are non-transferable.
 - A covered entity may only report exempt fuels that they have a compliance obligation for, and it must be the same fuel product.
 - This is not a molecule tracking program.
- The facilitation team and Ecology staff first discussed a number of themes that crossed many issues identified through the workgroup. For each of these issues, Ecology shared with workgroup members the actions taken, as well as the next steps beyond the workgroup.
 - **Documenting exempt fuel use**
 - **Accountability, risk, liability**
 - **Line of sight**
 - **Third-party verification**
 - **Confusion about fuel tracking requirements**
- Following the crosscutting themes, the facilitation team and Ecology staff then shared a summary of solutions across five topical areas: **interim guidance, reimbursements, maritime fuel use, mixed loads, and non-bulk purchases**. The facilitation team and Ecology staff shared what they heard, the solutions moving forward and ideas shared by the workgroup, and the next steps beyond the workgroup.
- For each topical area, Ecology staff reviewed when the issue was discussed and welcomed additional solutions and clarifications from the workgroup members. **Additional solutions proposed by issue:**
 - **Interim guidance:** The workgroup meeting previously discussed interim guidance at meeting #2, #3, and #6. During this final meeting, workgroup members shared no further information, clarification, or solutions as it relates to the interim guidance.

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- **Reimbursement:** The workgroup meeting previously discussed reimbursements at meeting #2 and #4. During the final meeting, workgroup members shared concerns relating to the 3rd party verification process and potential liability in the event of fraudulent attestations.
 - **Maritime:** The workgroup meeting previously discussed maritime issues and solutions at meeting #2 and #5. During the final meeting, workgroup members asked Ecology about documenting exempt fuel used along the Columbia River. Ecology staff noted that this issue is being addressed directly with the impacted reporter and suggested suppliers contact Ecology if they share similar concerns of tracking fuel along the Columbia River. One workgroup member suggested Ecology generate a table of exempt volumes based on departure and return locations.
 - **Mixed loads:** The workgroup meeting previously discussed mixed loads at meeting #2, #5, and #6. During the final meeting, workgroup members asked several clarifying questions, and noted concerns relating to the attestation form and 3rd party verification process. Ecology clarified that 3rd party verification training recordings and materials will be shared once complete.
 - **Non-bulk purchases:** The workgroup meeting previously discussed non-bulk purchases at meeting #2, #5, and #7. One workgroup member noted concerns about the solutions discussed not being implementable. Another workgroup member shared an alternative solution of a shared database for pre-approved exempt fuel users.
- Ecology noted they will continue to explore alternative solutions, and requested that workgroup members continue to engage with Ecology staff directly.
 - Ecology shared that as additional resources become available, Ecology will email them to workgroup members. Ecology invited workgroup members to help in sharing the resources and updates to support end-users ability to access surcharge free fuel.

Wrap up

- Ecology staff thanked workgroup members for their participation in the workgroup and invited continued engagement beyond the workgroup.
- This concludes the Fuels Exemptions Workgroup meetings.

Resource and Assistance

- Contact Jihan Grettenberger at Jihan.Grettenberger@ecy.wa.gov or 360-742-1153
- [Fuel Exemptions Workgroup webpage](#)